

Energy Office Has Role in Proposed Tax Credit Program

House Bill 4647 sponsored by Rep. John Moolenaar passed the House on Dec. 6. The bill would amend the Single Business Tax Act to provide taxpayers that own and use a small wind turbine with a credit against the tax. A small wind turbine is defined as a wind turbine that has a maximum electrical generating capacity of five megawatts. The credit would be equal to one-and-one-half cents per kilowatt hour generated in the tax year. The credit would be available for tax years beginning after December 31, 2006 and before January 1, 2008. A taxpayer would be required to apply to the Energy Office in DLEG for approval of the credit. Total of all credits cannot exceed \$3 million per calendar year and credits for any one taxpayer cannot exceed \$750,000 for a tax year. The credit would not be refundable but any excess could be carried forward to offset tax liability in the subsequent tax year. A taxpayer that is allowed a credit may assign all or a portion of the credit. A taxpayer will be able to claim a credit against the successor tax to the single business tax. The bill has been referred to the Senate Finance Committee.